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Charles L.A. Terreni
Chief Clerk/Administrator

The Public Service Commission State of South Carolina

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Charles.Terreni@psc.sc.gov

August 6, 2009

Mrs. Marlene Lewis
158 Trolley Line Road
Graniteville, South Carolina 29829

RE: Docket No. 2008-460-WS – Avondale Mills, Inc. – Application for Approval of a New Schedule of Rates and Charges for Water and Sewerage Service Provided to Customers in Aiken County, South Carolina

Dear Mrs. Lewis:

This is to acknowledge receipt of your correspondence received in our office on August 3, 2009 regarding the water rates of Graniteville/Vaucluse Water and Sewer System.

On August 5, 2009 the Public Service Commission issued its directive wherein it stated the Commission will be reexamining the rate increase for Avondale Mills, Inc. I am enclosing a copy of the Commission's directive and a copy of a Press Release issued in this docket.

Please let me know if you should require any additional information.

With best wishes, I am,

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Charles L.A. Terreni", written over the words "Sincerely yours,".

Charles L.A. Terreni

Enclosure:

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

DATE August 05, 2009

MOTOR CARRIER MATTER

DOCKET NO. 2008-460-WS

UTILITIES MATTER



ORDER NO. _____

SUBJECT:

DOCKET NO. 2008-460-WS - Application of Avondale Mills, Incorporated for Approval of a New Schedule of Rates and Charges for Water and Sewerage Services Provided to Customers in Aiken County, South Carolina - Discuss with the Commission a Request Filed by the Aiken County Legislative Delegation.

COMMISSION ACTION:

On June 18, 2009, we approved the first rate increase for Avondale Mills in 28 years. This is an unusual case. The Avondale water and sewer system was subsidized for many years by Avondale Mills, and customers received service at artificially low rates. When the mill closed, the system remained, but had to become self supporting.

Avondale was losing almost \$500,000 per year, and it was obvious to the Commission and the parties that the situation was not sustainable. Therefore, we reluctantly approved a rate increase that would make the company solvent so it could continue to provide water and sewer service to its customers.

We understood that this increase would be substantial. However, it appears to me that we did not fully appreciate the impact of the proposed rates given local water usage. The Commission has typically assumed household water consumption of 6,000 gallons per month to understand the impact of a rate increase. In this case, it now seems that some of Avondale's customers are using far more than 6,000 gallons per month.

I also agree with Sen. Massey, Rep. Smith, and Rep. Young that Avondale Mills' customers should have received advance notice of an increase of this magnitude. Therefore, I move that the Commission order the following:

- Avondale must immediately suspend any customer cutoffs or penalties due to failure to pay the most recent bill.
- The Commission appoints Jocelyn Boyd as a hearing officer in this matter, so that she may confer with the parties to gather more complete information about the impact of this bill on Avondale's customers.
- Avondale will provide the Commission and the parties with complete billing and consumption information for its customer accounts for the test year and the twelve months prior to the rate increase.
- Ms. Boyd, counsel for the Office of Regulatory Staff, and counsel for Avondale confer to see what measures may be possible to mitigate the effects of the rate increase on Avondale's customers and to ensure that they receive adequate notice.

I urge the parties to make every effort to find an equitable resolution to this matter. If they are unable to find a viable solution, the Commission may well have to proceed on its own, but it would be better in the long run for all involved if the parties can work together to solve this problem.

Finally, everyone understands that Avondale's water and sewer rates are going up; we're really just arguing about how much and how quickly at this point. I urge Avondale's customers to look at their water usage patterns and implement conservation measures. They should check their systems for leaks, and consider installing separate meters for irrigation systems so that they are not paying unnecessary sewerage charges.

Amendment and clarification by Commissioner Mitchell:

I want to clarify two aspects of my motion:

- By suspending cut offs and penalties, I had intended that the Commission suspend Avondale's recently adopted rates until further action by the Commission.
- I also want to be clear that parties are to report to the Commission on their discussion and proposed solutions at the Commission's meeting next Wednesday.

PRESIDING: Fleming

SESSION: Regular

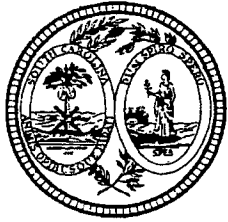
TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)



RECORDED BY: J. Schmieding



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***** FOR IMMEDIATE RELEASE *****

August 5, 2009

Public Service Commission Reexamines Avondale Rate Increase

The Public Service Commission took up a request from Senator Shane Massey, Rep. J. Roland Smith, and Rep. Tom Young, Jr. in its weekly meeting this afternoon. The three legislators expressed concerns about the impact of a recently approved rate increase to the customers of the Avondale Mills water and sewer system.

On June 18, 2009, the Commission approved the first rate increase in 28 years for the system, which has continued to operate on a standalone basis since the closing of Avondale Mills in July of 2006. The Commission was faced with a water and sewer utility that was losing nearly \$500,000 per year, and the utility needed a substantial rate increase to make it solvent.

Today the Commission acknowledged that some of Avondale's customers appeared to have been taken by surprise by the rate increase. The Commission ordered Avondale to suspend the new rates until further notice, and directed the Commission staff to work with Avondale and the Office of Regulatory staff to find ways to ease the effects of the increase on customers and ensure that adequate notice is given.

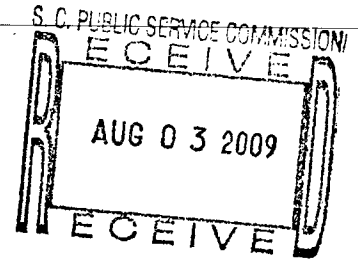
The parties were told to bring their proposed solutions to the Commission at its next meeting on Wednesday, August 12th.

A copy of the Commission's directive in the matter accompanies this press release. Please contact PSC Chief Administrator Charlie Terreni with any questions at (803) 896-5133 or at charles.terreni@psc.sc.gov.

158 Trolley Line Road
Graniteville, SC 29829

July 31, 2009

Public Service Commission of South Carolina,
101 Executive Center Dr., Suite 100
Columbia, SC 29210



To whom it may concern:

Today I received my monthly water and sewer bill from the Graniteville/ Vaucluse Water and Sewer System.

I was absolutely **flabbergasted!**

The month of April our bill for 7000 gallons of water was \$14.71.
The month of May our bill for 1000 gallons of water was \$18.85
The month of June our bill for 21000 gallons of water was \$34.03.

Imagine the shock when our bill for the month of July for 12000 gallons of water is \$146.00.

I can not believe that Avondale Mills would be allowed to raise their water fees by such an **enormous** amount.

Please look into this. There are many senior citizens living on a fixed income, including my husband, and we can not afford to pay this **exorbitant** amount for the use of water. It is a **crime**.

I plan to contact my local representatives, state senator, whoever it takes. Please either write me at the above address, or give me a call at 1-803-663-8289.

At this rate, the entire community of Graniteville/Vaucluse will become a ghost town.

Sincerely,
Marlene Lewis

Marlene Lewis